

**MINUTES  
OF THE  
HISTORIC PRESERVATION ADVISORY COMMITTEE (HPAC)  
OF  
ARIZONA STATE PARKS  
MEETING OF March 17, 2008  
8401 W. Monroe St.  
Peoria, Arizona**

**A. CALL TO ORDER AND ROLL CALL**

Chair Thorne called the meeting to order at 10:10am.

Committee Members Present:	Winston Thorne, Chair Tess Nesser Vice-Chair Joe Nucci Bonnie Bariola Tami Ryall (arrived 10:15am)
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Committee Members Absent:	Charles Ebner
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Arizona State Parks Staff Present:	Jay Ream, Assistant Director, Arizona State Parks (ASP) Doris Pulsifer, Chief of Grants Vivia Strang, Historic Preservation Grants Consultant Bill Collins, SHPO Ruth Shulman, Advisory Group Coordinator
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Guest:	Jonathan Mabry, City of Tucson Historic Preservation Officer
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**B. INTRODUCTION OF MEMBERS AND STAFF**

Members and Staff introduced themselves.

**C. ACTION ITEMS**

**1. Approval of Minutes from the January 28, 2008 Meeting**

Ms. Nesser moved to accept the minutes as presented. Ms. Bariola seconded the motion, which carried with no further discussion.

**2. Presentation of FY2007 2<sup>nd</sup> Cycle Historic Preservation (HP) Heritage Fund Grant Staff Recommendations for Funding**

Ms. Strang presented the grant applications ASP Staff recommends funding for the final cycle of 2007. She noted that 11 applications had been received originally, one of which was found to be ineligible.

When the rating team met to discuss and rate the applications, a further two applications were deemed ineligible. Those two applications were the Phelps-Dodge mercantile building in Douglas, and the Audrey Headframe in Jerome. The Phelps-Dodge building is ineligible for a National Register Nomination, which is a prerequisite for a Heritage Fund Historic Preservation

grant. The applicant was sent a letter explaining the issue, but there has been no further contact to date. The Audrey Headframe had received a previous grant in 1994 for stabilization and no maintenance was done on the Headframe creating the need for stabilization again. Ms. Strang and Ms. Pulsifer met with the applicants, who understand the issue. The Audrey Headframe is actually owned by the Verde Valley Exploration Company, making a third-party application through the Jerome Historical Society.

Ms. Strang then moved on to the applications being recommended for funding.

1. **New State Motor Building – Jerome Historical Society: Requesting \$145,870, scoring 94 points.** Mr. Nucci asked about the accounting of the requested amount, which shows two different details, each adding to the same amount. Ms. Strang noted that the application had not originally entered the detail for scope items in the interior redesign. That detail accounts for the difference. Ms. Bariola said that she appreciates Ms. Strang's explanation, because this particular application had been discussed during the presentation of eligible applications in January. Chair Thorne also noted his appreciation of the detailed breakdown. He suggested that line items such as "project management" and "oversight" be investigated thoroughly; Ms. Strang said that is standard procedure.
2. **Celaya/Long/Sweeney House – Florence Preservation Society: Requesting \$100,000, scoring 93 points.** Ms. Bariola noted that this was the second submission for the application, and thanked Staff for their assistance toward success for the application.
3. **Curley School Manual Arts Building – International Sonoran Desert Alliance: Requesting \$59,400, scoring 93 points.** Ms. Bariola asked about the \$22,000 AEPA request. Ms. Strang said that the amount included oversight, which is allowed over and above architecture and engineering. Mr. Nucci noted that the current AEPA cap is 10% of the total project cost. Mr. Nucci asked about the line item under Administrative Compliance showing 8 of 10 points without explanation. Ms. Strang said that they had not been awarded two points for tardy filing of the Preservation Conservation and Easement Deed (PCED) on an earlier project. This project is the fourth phase of the Curley School ongoing project. Mr. Nucci asked if the project was otherwise in compliance. Ms. Strang affirmed that it is. She will change the scoring sheet to reflect the Administrative Compliance points.
4. **City Hall/Copper Queen Library – Bisbee: Requesting \$30,000, scoring 86 points.** This project is to prepare Historic Building Preservation Plans for both buildings. Ms. Bariola said that she wonders about the line items for historic research and floor plan documentation. Ms. Strang said those items are separate and not part of this project (HBPP). The items are for educational purposes and will be part of an ongoing project for the buildings. The funds for those separate items are not included in this grant amount. Chair Thorne asked about the community input on the project. Ms. Strang said that applications are required to show community involvement in the project. The community in Bisbee is excited about the plans.
5. **Catlin Court Historic District II – Glendale: Requesting \$87,680, scoring 86 points.** Ms. Strang noted that Phase I of the Catlin Court project stabilized 12 homes and this project will involve a further ten homes due to Glendale extending the historic district. Ms. Bariola said that this is a good community project, and wondered what the \$141,000 mentioned is for. Ms. Strang affirmed that the funding would go for weatherization, stabilization and other items such as for the previous 12 homes. She also noted that Catlin

Court Phase I is something of a role model for other towns and cities looking to preserve their historic districts. Chair Thorne asked about the updated brochures and maps line item. Ms. Strang noted that the City of Glendale conducts walking tours, and this line item will update the walking tour information to include the homes in this project. Ms. Bariola noted that historic districts are a tourism draw and benefits both the Glendale economy and that of the state of Arizona.

- 6. Immaculate Conception Catholic Church – Pima County: Requesting \$459,730, scoring 81 points.** The church is located in the town of Ajo, which is very excited about the project. Chair Thorne asked about the scaffolding and staging items in the scope of work. Ms. Strang said that the contractor would include those items in the price of repairing the roof. Ms. Bariola asked about the security and maintenance of church and grounds items. Ms. Strang said that volunteers will be staying around the clock on the church grounds during the work in order to keep the church secure and construction cleaned up while the repairs are made. The volunteer labor is part of their in-kind match. Ms. Nesser asked about the volunteer rate. Ms. Strang said that volunteer rates are figured at \$10.00/hour for the purpose of the in-kind match. Chair Thorne asked whether there is a management fee associated with these items. Ms. Strang said that both security and maintenance (clean-up) are being handled completely by volunteers.

Ms. Strang noted that these were the six highest priority projects, requesting a total of \$482,680. There are two other eligible projects that fell below the strategic plan line, which she will discuss.

The Santa Cruz Roman Catholic Church in Tucson requested \$90,000 and scored 72 points. This church is the largest mud adobe building in Arizona. It requires extensive repairs to the structural integrity of the roof and consequently the walls. Mr. Nucci asked that there be a clear distinction in the future between a valid project and a valid application. This case would be a clearly valid project, however the application did not score sufficiently to be above the strategic plan line. Mr. Nucci asked that these two un-recommended projects be clearly listed as an application issue.

Ms. Nesser asked whether past low-scoring projects had been recommended in the past. Ms. Strang noted that Staff recommendations always follow the strategic plan line for high-priority projects, which are those scoring 80 points or more. While these two are valid projects, they did not score well enough. Chair Thorne noted that there are several instances recently that projects initially scoring low that resubmitted their applications were eventually successful. He asked whether the applicants for the projects, in particular the Santa Cruz Catholic Church, had consulted with Ms. Strang. Ms. Strang noted that she seldom knows about projects before the application deadline date, and this is particularly true of the church. The other project, Arizona Department of Administration's application for work to be done on the Evans House (one of two remaining Queen Anne Victorian houses in Phoenix) did receive some prior consulting.

Ms. Bariola recalled that there were years when the Legislature wanted to "sweep" the Heritage Fund money. HPAC recommended some low-scoring projects in order to use the money before the Legislature could sweep the funds. It has become apparent, however, in the time since then that the projects are unready to move forward diligently and efficiently to complete the projects.

Ms. Strang said that during that time when low-scoring projects were funded, HPAC had not yet planned the current two-cycle structure. The two cycles were designed to address some of the concerns regarding resubmission of applications as well as "emergency" projects.

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Chair Thorne invited Mr. Mabry to address the Santa Cruz Roman Catholic Church application. He is the new Historic Preservation Officer for Tucson and wrote the application. He noted that the eight points lacking to reach the strategic plan line score all came from the Administrative Compliance section. A grant made in 2005 had not been compliant, and so the points were not awarded to this application. However, he noted, that grant was awarded to the Roman Catholic Diocese of Tucson and they were in fact tardy with important documentation. He says that the building itself is in danger of collapse because of failed roof trusses. The sagging roof is disturbing the walls consequently, and he says that the building will likely be condemned. The church parish, which is the poorest parish in Tucson, still uses the church for services, and the church community is behind the project. This is particularly shown by the fact that the parish was able to raise matching funds. The City of Tucson applied on behalf of the parish, which is the third party in this application, and not the Diocese, which was the source of the administrative difficulties.

Mr. Nucci asked if the Diocese was taking responsibility for any part of the project. Mr. Mabry said they would not be, as the parishes are separately incorporated and manage their own finances. Mr. Nucci thanked Mr. Mabry for bringing the project to the Committee considering the distress. He would like to see the detailed project rating information for un-recommended projects as well as recommended projects in the future. He would like to be able to see specifics of how the application scored outside of the administrative points. Those points may not have been withheld properly if the Diocese is not involved in this application. When the application was originally presented in January, there were several technical questions regarding the challenges of the repairs. Ms. Nesser agreed that the point breakdown would be valuable information.

Chair Thorne asked about the church attendance numbers. Mr. Mabry said that he believes the church serves 2300 families. Chair Thorne then asked if a structural engineer had prepared a report on the building. Mr. Mabry said they had a report from an engineer and the requested repair is what that engineer recommended. He also noted that previously, the trusses had been repaired with a Heritage Fund grant. However, the repair was done with bolts, plates and tie-rods, which are themselves in disrepair and must be replaced. Chair Thorne asked about the plans made then for future repairs or other remedial work. Mr. Mabry noted that there has been no neglect of the building but that the 1994 repairs were likely not the most proper solution at the time. The trusses should have been replaced at that time. Further discussion followed on the previous repairs, and the current approach to replacement.

Mr. Nucci asked whether the detailed breakdown on the score was available for this application. Ms. Strang said that she did not include detailed information for Historic Preservation grants falling below the strategic plan line. Mr. Nucci asked about the administrative points, and whether they might have been incorrectly withheld. Ms. Strang noted that the applicant is the City of Tucson, and the Administrative Compliance points were withheld due to lack of performance on the part of the City. Chair Thorne asked that this item be placed on a future agenda if HPAC contemplates taking action.

Ms. Strang located a copy of the breakdown and discussed the scoring. Chair Thorne asked that the Committee take action on the Staff recommendation. Ms. Strang noted that she had not presented the Evans House project. The application request \$85,250 and scored 70 points. Ms. Nesser asked where the application was deficient. Ms. Strang said, as she recalled, their planning was deficient. However, the applicant did send a representative to the recent workshop.

Chair Thorne asked for the vote on the recommended projects. Ms. Bariola recused herself from the vote on the Florence Preservation Foundation project. Mr. Nucci asked if the two un-

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recommended applications could be further discussed. He said that the state of the Santa Cruz Catholic Church is dire and there should be some recognition of the emergency. Mr. Nucci then moved to recommend awarding \$482,680 to six high-priority grant project applications submitted for funding according the Arizona State Parks strategic plan goal, and that this recommendation be forwarded to the Arizona State Parks Board for further action. Ms. Nesser seconded the motion. Ms. Bariola noted that she would abstain from voting in order to avoid voting for the Florence Preservation Foundation project. The vote passed 4-0 with Ms. Bariola abstaining.

Ms. Strang said that HPAC can recommend funding below the strategic plan line with the caveat that Staff review the applications for eligible scope items. There is sufficient money to fund both below-the-line projects and that would raise the total to \$657,930. Chair Thorne asked if that total included any carry over funds from the previous cycle. Ms. Strang said that there is \$671,499 available for second cycle grants.

Ms. Bariola said that she feels the two-cycle structure exists to ensure that applicants are ready to go forward with their projects. She said that funding unready projects simply because the funds are available is not in the best interest of the Heritage Fund or HPAC or Arizona State Parks. She also noted that the administrative work is the responsibility of the applicant.

Mr. Nucci noted that HPAC has the responsibility to recognize extraordinary circumstances including preservation emergencies. He did say that many "emergencies" simply consist of a critical lack of good planning, however, that is not always the case.

Ms. Ryall said that the current process is quite flexible. She agrees that funding applications that are low scoring because the money is available would negate the reason for the current process. Mr. Nucci asked Ms. Ryall, as a member of the rating team, whether she felt the Santa Cruz Church project was "not yet ripe". Ms. Ryall said that she feels the project would benefit from more planning. Mr. Nucci said that absent his review of the actual application, he agrees with the rating team's assessment.

Ms. Nesser said that her basic assumption is that, in general, all projects are worthy. However, HPAC's funding decisions are based on the grant application and that the planning for and preparation of the application reflects on the amount of planning and preparation an applicant might use for the project. She said that keeping the current process will keep all projects on an even playing field.

Chair Thorne did note that at one time, HPAC did have an emergency fund, however this has gone by the wayside in the interest of using the resources more effectively and efficiently. This is borne out by the increasing quality of the applications since the current process went into effect. The project success rate has also increased and the scope of projects is larger. Chair Thorne noted that these two projects below-the-line are a reminder of why the program is set up as it is now.

Mr. Nucci reiterated his request that the line item rating information be supplied in the future in order to gauge the applications themselves. Ms. Bariola noted that she did not see a BCA with the Santa Cruz application. Ms. Strang said that there was a BCA done for the Santa Cruz Church. Ms. Bariola asked that items such as BCA's be noted in project information supplied to the Committee in the future. Chair Thorne said he is confident that Staff will take these requests into consideration and will follow up in the future.

### **3. Update and Discussion on Picket Post House**

Arizona State Parks Assistant Director Jay Ream spoke regarding the purchase of the Picket Post House located near Boyce Thompson Arboretum. This is a state park operated under a tripartite agreement among Arizona State Parks, the University of Arizona (UofA), and Boyce Thompson Inc (BTI). Mr. Ream said that the property has been the Arizona State Park's acquisition list for almost 20 years. In the early 1980's the Arizona Legislature appropriated funds for the purchase, however those moneys went toward purchasing what is now Slide Rock State Park. At that time, the purchase price was set much higher than the appraised value of the property. However, they have recently offered a purchase price much more in line with the appraised value.

Mr. Ream noted that the Arboretum enjoys 65,000 visitors annually and the current operating budget is \$1.7 million with revenue of \$1.1 million. The Arboretum is therefore subsidized in the amount of \$600,000 annually.

Colonel William Boyce Thompson built the house 1923-1928 so that he could view his growing botanical gardens, which were built by professional botanists and curators. The Arboretum sold the Picket Post House in 1949. The property consists of 32.9 acres. The Rose Family is offering the property at \$3.7 million, and ASP recently appraised the property at \$2.8 million. There is an additional appraisal showing a value of \$3 million structured over a multi-year purchase. The property includes the main house, a guest house and a caretaker's house. The main house is three stories.

Mr. Ream said that ASP is interested in the property now because it is back on the market after a hiatus of ten years. The price and appraisal are at last close. The owner has parceled the property into three sections, one of which is the frontage road on the highway. It would be especially detrimental to the Arboretum if the frontage sold for retail development. The property is an in-holding surrounded by the Arboretum, and another 30 acres belonging to the UofA. The house is currently providing tours to the public for approximately \$10/per person. Mr. Ream would like for the Committee to tour the house. He believes that the Picket Post House is eligible for a NRN. The Arboretum is currently listed on the National Register.

ASP would like to continue offering tours of the Picket Post House to the public, or perhaps adaptively reuse the property. Some ideas have been brainstormed for food service, retail and overnight stays on the acreage, however there are currently no firm plans.

The funding source for this purchase would be Historic Preservation Heritage Funds and Local, Regional and State Parks (LRSP) Heritage Funds. In each of the fiscal years 2008 and 2009 ASP would use \$700,000 of the Heritage Fund money toward the purchase. The FY2008 funds are currently in a "set-aside" status with the ASP Board, and have been since July 2007. The LRSP Heritage Funds will contribute a like amount for the same period of time, for a total of \$2.8 million from Historic Preservation and LRSP. The balance of each fund would then be available for grants for those two years. Additional funding would come from the ASP Acquisition and Development Heritage Funds for a total purchase price of \$3 million over twelve months. The actual final purchase price will be \$3,080,000 because of the twelve-month financing.

Mr. Ream asked for HPAC's support in the purchase of this important and worthy historical property. He noted that the house is in good repair, but must have an interior redesign to restore it to its historic interior. BTI is a private non-profit that has agreed to run a fund-raising campaign to assist with the endeavor.

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Chair Thorne thanked Mr. Ream for his presentation and opened the floor to the Committee for questions.

Ms. Nesser said that at the January HPAC meeting, there had been questions about other sources of funding such as the UofA and Resolution Copper (RC). Mr. Ream said that the UofA Foundation would be willing to make a grant to ASP once the property has been purchased, especially to develop an elder hostel. RC is currently working with ASP on the Tam O'Shanter Climbing Park, which the Governor has asked that RC fully fund at \$10 million dollars. RC finds that amount excessive and negotiations are ongoing. The Arboretum itself has a good relationship with RC as one of their executives sat on the Arboretum Board. Ms. Nesser then asked if funding from other sources, if obtained, could revert to the Historic Preservation Heritage Fund. Mr. Ream said that might be possible. Mr. Ream reiterated that he is asked HPAC for their support to pass on to the ASP Board that will help during negotiations with the owners. There is as yet no purchase contract, and earlier negotiations with the Rose family have failed. On Thursday, he will be asking for the support of the Arizona Outdoor Recreation Coordinating Commission (AORCC) as well. If they choose to support the project, Mr. Ream can then obtain the support of the ASP Board to go ahead with negotiations.

Chair Thorne then asked if the Arboretum had ever owned the property. Mr. Ream said they had owned it until 1949 to keep the Arboretum going. Chair Thorne then asked about the appraised values. Mr. Ream noted that the \$3.0 million asking price is based on the appraisal obtained by the Rose Family. The ASP appraisal is for \$2.8 million. There has been no third appraisal. Mr. Nucci noted that Mr. Ream said a carrying charge of \$80,000 would also accrue. The total purchase would be \$3.08 million. Chair Thorne asked about the parceling of the property. Mr. Ream said that the property is currently in three parcels, which the Rose Family was unable to sell as a single unit. ASP is the only purchaser willing to buy all three parcels. Chair Thorne asked about the possible adaptive reuse of the Picket Post House. Mr. Ream said the house was once a bed-and-breakfast, however ASP is not particularly interested in that business. He said that one brainstormed idea was small casitas away from the freeway where visitors could stay. The main house would be "food service central". Chair Thorne noted that grant applicants must go through a rigorous process of planning before they apply. He asked Mr. Ream if ASP had considered submitting an application for the purchase. Mr. Ream said that once the purchase is accomplished, the first order of business would be to bring it "up to speed" for a NRN. Any work would be subject to the State Historic Preservation Officer's (SHPO) approval. At the moment, Mr. Ream is working on a document that will plan for the NRN and prepare ahead of time. There would not be an application per se, but the process would be "vetted" by the SHPO.

Chair Thorne said that the plan to acquire the property with other partners has yet to provide the big picture of the importance of the acquisition. He asked that Mr. Ream provide further information to HPAC that would help bring clarity to the big picture of the end use and the driving force behind the acquisition. Mr. Ream said that there are at the moment no firm ideas for end use, but he does note that both ASP and the Arboretum have a long track record of quality public service. As well, the Governor's office still needs to be convinced that the purchase is a good idea.

Chair Thorne noted that the City of Glendale's Catlin Court restoration shows historic property as a viable investment with an actual return. He would like to see an economic model that would help HPAC see the purchase as a viable investment. Mr. Ream said that ASP has never made a return on investment on the vast majority of its parks, either historic or recreation-based. All but three state parks are subsidized in one way or another. Two parks actually make money, which are Lake Havasu and Kartchner Caverns State Parks. Kartchner Caverns now makes

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approximately \$500,000 in excess of its operating expenses, which money goes toward several historical parks. At the moment, Mr. Ream says that opening the Picket Post House to the public would be a public benefit. The Arboretum has agreed to helping to maintain the property once the funding comes through.

Mr. Nucci noted that preventing development in the area of the Arboretum is a good idea. He also noted that \$700,000 annually from the Historic Preservation Heritage Fund is over 40% of the funds available for brick-and-mortar projects throughout the state. Those funds are the only significant source for public historic preservation assistance in Arizona. Since the fund was established in 1990, there has been no adjustment for rising costs or inflation. HPAC has recently adjusted the grant application process to allow a cap of \$150,000 per project, which expands the types of projects. However that amount is inadequate for acquisition, which is an allowable project. This is a valid and worthy project, but to use the majority of the fund for one project slights the other worthy projects all over the state. He says that there should be many other partners providing funding for this acquisition. The contribution from LRSP is good and he hopes that the BTI can provide funding for the last gap. He asks if there is any organization geared toward acquisitions of this type that ASP has looked at for assistance. Mr. Nucci notes that he is happy the contribution can be spread over two years, however this still places an inordinate pressure on the Historic Preservation Heritage Fund. He supports the acquisition, but feels that the Historic Preservation Heritage Fund is too small to carry the weight.

Chair Thorne asked about the possibility of a three-year time frame for the acquisition. He noted that it might be possible to acquire one parcel per year for three years to help lessen the impact on the Historic Preservation Heritage Fund. Mr. Ream asked what amount of funding HPAC would feel more comfortable with. The property is in good order, however the sellers are highly motivated at this point. The price might be held down if the property was purchased all at once. ASP has also discussed the purchase with the Trust for Public Land in order to help purchase the property all at once.

Chair Thorne said that he perceives HPAC as having been presented with a contribution figure without understanding the genesis of that figure. Lacking that understanding poses a difficulty in HPAC embracing the purchase. He is concerned about justifying this participation in the acquisition to future applicants who may not be able to preserve properties without the assistance of a Historic Preservation Heritage Fund grant. Mr. Ream said that one reason is that \$700,000 is the largest amount of money any single entity can take at one time. He does not know whether that includes the usual ASP set-aside of \$150,000, which is currently pledged toward stabilizing the Jerome Mansion. Last year's set-aside went to McFarland Historic State Park for work to be done there. Mr. Ream says that there is no further support from the Legislature, who feels \$6 million annually is adequate for the needs of ASP. The annual ASP budget contains 85% staff salary and 15% operations and maintenance costs. The Heritage Fund supplies the necessary money to assist in many areas. He does know that HPAC was tapped for the Spur Cross Ranch purchase a decade ago. This time, ASP is soliciting funds from the LRSP "pot" which it has never done before. One reason is that federal Land and Water Conservation Fund money can be used for projects, however those funds are inadequate to use for the purchase. Mr. Ream says that the acquisition is quite important to the state of Arizona. He would prefer to go to the ASP Board with HPAC's support.

Ms. Bariola asked to address Mr. Ream. She asked whether Mr. Ream knew how much more than \$700,000 is currently pledged to ASP. She knows that subtracting \$700,000 from the current "endowment" of \$1.7 million will not leave \$1 million annually for Historic Preservation Heritage Fund grants. She asked for the total figure of set-asides, etc. Mr. Ream said that he



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believes the grants total \$1.2 million. Ms. Pulsifer noted that the SHPO receives a set-aside of \$100,000 in addition to the \$150,000 ASP receives. After subtracting the \$700,000, there remains \$750,000 for grants. Ms. Bariola then asked if Mr. Ream or ASP has gotten public participation or input on this acquisition. She asked if ASP has asked, for example, the town of Superior how they would be affected by the purchase. Where is the property located, in Pinal County or in the Town of Superior? Mr. Ream responded by saying he had spoken with County Supervisor Lionel Ruiz and the County Manager about the acquisition. Pinal County supports the acquisition, and Director Travous represented ASP at the Pinal County Outdoor Recreation Forum recently. As for the Town of Superior, they are working with the town primarily on the Tam O'Shanter Climbing Park. Mr. Ream noted that the ASP Board itself is a public entity and the Board has been discussing the acquisition over the past twenty years. He also noted that negotiations are better handled by maintaining a certain "poker face" though he has maintained to the local area that ASP would be the best neighbor possible. Ms. Bariola asked if there had been a Building Condition Assessment (BCA) done on the property. Mr. Ream said that he would be happy to provide a copy of the appraisal done by ASP. Ms. Bariola said that the Historic Preservation Heritage Fund has a process for funding acquisitions through grants as well as funding other preservation projects. She does not insist that ASP follow the process but she would like to have ASP acknowledge the process by providing specifics on the property as it is now. Ms. Bariola continued about the media exposure regarding ASP's funding being inadequate for the existing properties, and she feels that an acquisition at this time opens ASP to public criticism. She then asked about the funding for FY2008, for which the first cycle of grant applications are due at the end of May. Further discussion of FY2008 funding followed. Ms. Bariola wonders what money will be available for the first and second cycles for calendar year 2008.

Chair Thorne noted that there are a lot of unknown factors that would inhibit HPAC from making a sound decision. He feels that Mr. Ream would be able to provide some documentary information on the more tangible benefits of this acquisition that would assist HPAC to make that decision. Mr. Ream said that, during the budget crisis, he feels that the Picket Post House would be open for public tours at the status quo, which is by reservation and special events only. Mr. Ream feels that the timing is right for the acquisition. Chair Thorne says that the planning process helps bring validity to the acquisition.

Mr. Ream asked when the next HPAC meeting takes place. Chair Thorne said that arrangements can be made for a special session to fit Mr. Ream's schedule. Ms. Pulsifer will provide the PowerPoint presentation, unseen by HPAC, to the members for review before any special session, in addition to the appraisal document. Chair Thorne asked for a financial model for running the Picket Post House. Mr. Ream said that he did not have a model, however the current owners make approximately \$10-15,000 annually running the tours during the off-season only a few days a week. He feels that if ASP owns the house, the revenue could double by increasing the number of tours.

Ms. Nesser asked whether the UofA would take any responsibility for maintenance of the acquisition. Mr. Ream said that the BTI has the fund-raising mechanism to help with that, and they have agreed to do so. UofA now runs the elder hostel program in Pinal County, and they working on using the Biosphere as a hostel, and they may use the Boyce Thompson Arboretum as well.

Chair Thorne asked if there were any solid offers from developers for the property. Mr. Ream said no. The Rose Family has been approached to carry the property note for developers, but they rejected those offers to their credit. They have been good stewards.

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Mr. Nucci asked what the UofA uses their other 30 acres for. Mr. Ream said that those acres were a legacy to the UofA College of Agriculture. The UofA may contribute some money following the purchase of the property. Mr. Nucci then said that he was not a member of HPAC during the Spur Cross transaction, but he remembers the chilling effect it had on Historic Preservation Heritage Fund grants for some time to come. During his tenure on HPAC, the program has been rebuilding and now has a solid reputation. He went on to say that the two grant cycles are on a 2/3 – 1/3 split. He proposed that ASP accept a cap of 1/3 of the \$1.4 million applicable, leaving 2/3 to be split evenly through the two grant cycles. If ASP applied its \$150,000 set-aside to the 1/3 amount of \$480,000, they would have an amount very close to the \$700,000, and the grant program would remain viable. This would help maintain the public perception of the Historic Preservation Heritage Fund grant program as being available for historic preservation. Further discussion on the ASP set-aside followed.

Chair Thorne reiterated that he would like to see more documentation that would help HPAC make a decision as to supporting the contribution. He also would like to see some end-use planning on the part of ASP.

Ms. Ryall noted that on occasion HPAC is called upon to decline an application and make an explanation for the decline. If ASP provides documentation that allows an evaluation similar to the application process, it would also create a template for possible future projects. She emphasized that discussions earlier in the process on ASP's part would be a good idea, in that Mr. Ream asked the ASP Board to set aside the \$700,000 in July 2007 and the first in-depth discussion with Mr. Ream is taking place only today. Mr. Ream said that he did not know how the situation would develop back in July or he would have started by setting aside LRSP funds. However, the LRSP suggestion was made only recently, and the HPAC suggestion that the entire funding for the acquisition should not come entirely from the Historic Preservation Heritage Fund.

Mr. Ream then noted that he is working on this project single-handedly and any information would come directly from him. He feels that supporting this decision requires that the funding be in line before any negotiation.

Ms. Nesser asked what is the timeline for this transaction. Mr. Ream says that the next ASP Board meeting is April 4, 2008, when he will be presenting the plan. Without HPAC's support of the plan and agreement to provide funding, the Board would have to overrule its advisory committee. The ASP Board is often reluctant to do so. Mr. Ream feels that the Board would be especially reluctant to do so if HPAC does not approve the funding. Chair Thorne noted the acquisition of the Picket Post House in and of itself is supported by HPAC. However, the Committee feels that it is necessary to more fully understand how the funding would affect the grant program.

Mr. Nucci reiterated his position on having the Heritage Fund make some adjustment to its disbursements in light of changes since 1990. He asks for ASP's assistance in that endeavor.

The Committee then discussed receiving Mr. Ream's documentation prior to making a decision, and that a special session be convened before the April 4, 2008 ASP Board meeting. The Committee agreed on a special session to be held Monday, March 31, 2008 at 10:00am at the ASP offices.

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Mr. Nucci said that Mr. Ream should consider the answer to one crucial question when putting together his documentation. That question is: Why is this a preservation project and not simply an acquisition. That closed the discussion.

### **D. REPORTS AND UPDATES**

#### **1. Parks Board Action on HPAC Items**

Ms. Pulsifer noted that there were no HPAC items before the ASP Board at their last meeting.

#### **2. Heritage Fund Report**

Ms. Pulsifer said that the Heritage Fund year-to-date has received \$3 million dollars, which puts it ahead of this time in 2007. She expects that the Heritage Fund will likely be fully funded as of April 2008.

#### **3. SHPO**

##### **Recent National Register Listings**

##### **Governor's Heritage Honor Awards Nominations**

Mr. Collins gave the new National Register inductees for year-to-date 2008. These are: the University Park Historic District in Tempe, the Bunch House in Glendale, the San Rafael Ranch Historic District, the Curley School (as an individual listing), the Picture Canyon Archaeological Site, the Phoenix Towers, the D. J. Frankenberg House, Our Lady of the Blessed Sacrament Church, and the Kane Ranch.

Mr. Collins also distributed nomination forms for the Governor's Heritage Honor Awards and asked that HPAC members nominate worthy projects or individuals for this important award. He also distributed information on the upcoming Historic Preservation Conference.

### **E. CALL TO THE PUBLIC**

No public comment.

### **F. SUMMARY OF CURRENT EVENTS, MATTERS OF BOARD PROCEDURE, REQUESTS AND ITEMS FOR FUTURE AGENDAS**

HPAC asked that updates on the Picket Post House appear on every agenda until the matter is resolved. Chair Thorne asked for an agenda item considering planning scenarios for HPAC at various levels of funding and differing grant cycles.

### **G. TIME AND PLACE OF NEXT MEETING**

March 31, 2008 – Special Session - Phoenix

June 16, 2008 - Peoria

### **H. ADJOURNMENT**

Chair Thorne adjourned the meeting at 1:10pm.